GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2544
ANSWERED ON:18.03.2005
LOAN TO POOR AND UNEMPLOYED
Reddy Shri Karunakara G.

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government proposes to review and simplify its policy in respect of providing loans to poor unemployed youths, labourers, under-privileged, small and marginal farmers, SC/ST and OBCs through banks and financial institutions;

(b) if so, the details thereof;

(c) the number of applications for grant of loans pending in each of the nationalized banks under various self-employment scheme, bank-wise;

(d) the main reasons for their pendency; and

(e) the steps taken by these banks for early clearance of these applications?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) Review and simplification of guidelines/policies relating to schemes for the poor and weaker sections is an ongoing process. Loans to poor unemployed youth and weaker sections of the society are classified under priority sector lending. The Government of India formulates policies for various government sponsored schemes. On the basis of these policies, guidelines/instructions are issued by the Reserve Bank of India to the banks for successful implementation of these schemes.

(c) The details of bank-wise pending applications during 2004-05 {as on 31.12.2004) under Swarnajayanti Gram Swarojgar Yojana (SGSY) and Swarna Jayanti Shahari Rojgar Yojana (SGSRY) schemes are at enclosed Statement-I and under National Scheme for Liberation and Rehabilitation of Scavengers (NSLRS) are at enclosed Statement-II.

(d) The reasons for pendency of applications under these schemes were attributed to tardy progress in processing of applications by banks, non-availability of proper infrastructure like electricity connection, premises for carrying out business, non completion of bank formalities, unwillingness of borrowers to avail of the loans facility, borrowers already assisted under other subsidy linked programmes etc.

(e) The following steps have been taken to ensure early clearance of pending applications:â€”

(i) Time frames have been laid down for receiving applications from the District Industry Centres (DICs) by banks and thereafter sanction and disbursement of loans by banks.

(ii) Banks have been instructed to dispose of applications for loans upto Rs. 25000 within 2 weeks and upto Rs. 2 lakh within 4 weeks, provided the loan applications are complete in all respects.

(iii) Banks have been asked to issue `No Dues` certificate whenever required, within 15 days, other-wise it is deemed to have been issued.

(iv) Discussions are held by the concerned nodal Departments with the bank branches in Block Level Bankers` Committee (BLBC) meetings to ensure ealy sanction of pending applications.

(v) Regular review meetings are held at District and State Levels to monitor the progress of these schemes.